

Side by Side: House and Senate Property Insurance Reform Proposals - MEETING ON JANUARY 20, 2007 1:30PM

Offer # 1						Offer # 2			
	Issues	House Position	HB Sec pg, line #	Senate Position	SB Sec pg, line #	Senate	House	Senate	House
A1	Loss Reporting	Authorizes OIR to require insurance companies to provide greater hurricane loss reporting information.	Sec. 17 p.19 Line 516	Same as House	Sec. 33 p.164 Line 26	House Position	House Position		
A2	Insurer Oath	Requires a senior officer of an insurance company to sign an oath, under penalty of perjury, that the information accompanying a rate filing is true. Gives Financial Services Commission rulemaking authority to set form.	Sec. 8 p.9 Line 238	Similar, but requires CEO or CFO and actuary to sign statement. Also requires statement that the rate filing reflects all premium savings reasonably expected to result for legislative enactments. FSC may adopt rules and forms. Violation subject to unfair trade practice penalties, plus perjury.	Sec. 23 p.108 Line 12	Senate Position	Senate Position		
A3	Use & File	Not Addressed	N/A	Repeal "use & file" rate filing option	Sec. 23 p.93-99 Line 30	Senate Position	House Position		
A4	Arbitration	Require arbitrators in "use & file" arbitrations to refund the excessive portion of rates back to policyholders if arbitrator finds rate excessive.	Sec. 8 p.11 Line 308	Repeals arbitration provisions. Insurer may challenge a rate disapproval pursuant to hearing under Administrative Procedures Act.	Sec. 23 p.103 Line 18	Senate Position	House Position		
A5	Surplus Requirements	Raise surplus requirements for Florida property insurance companies: \$12 million for a new company and allows existing companies to meet the new requirement over five years.	Sec. 5 p.4 Line 96; p.5 Line 136	Not Addressed	N/A	Senate Position	Senate Position		
A6	Agent Commissions	Requires Department of Financial Services (DFS) to study how agent commissions for the placement and renewal of property insurance are set and to establish standards to ensure that agent commissions are justified based on the work performed. Gives FSC rulemaking authority to implement.	Sec. 29 p.42 Line 1167	Not Addressed	N/A		Senate Position		
A7	Million Dollar Homes			Deletes provision that puts burden on OIR to establish a rate filing is excessive for a home valued at \$1 million or more	Sec. 23 p.109 Line 13	Senate Position	House Position		
A8	Truth in Billing	Require insurers to note on the premium notice: (1) the amount of an assessment & the full name of the assessing authority; (2) the amount of premium change due to a change in rate or coverage; and (3) the profits and losses for all lines of property insurance for the national parent and Florida subsidiary.	Sec. 18 p.20 Line 550	Not Addressed	N/A		House Position (take 1 and 2, strike 3)		
A9	Insurance Report Card	Require the Insurance Consumer Advocate to provide an annual report card on insurance companies using a letter grade scale established by FSC.	Sec. 7 p.7 Line 186	Not Addressed	N/A		Senate Position - tied to A10		
A10	Insurance Consumer Advocate	Not Addressed	N/A	Transfers Office of the Insurance Consumer Advocate from DFS to Office of the Public Counsel; CFO would appoint insurance consumer advocate who must be confirmed by same joint legislative committee that appoints the Public Counsel. Expands Advocate's powers.	Sec. 2 pg 15, 54-59, etc. Line 8		House Position - tied to A9		
A11	Discounts	Allows an insurer to offer a discount on a policy based on the fact that the insured purchased another policy from the insurer. Requires discount to bear a reasonable relationship to reduction in losses or expenses. States legislative intent that insurers must provide discounts for mitigation.	Sec. 6 p.6 Line 151; p.12 Line 316	Not Addressed	N/A	House Position	House Position		
A12	Claims Procedures	Require property insurers to deny or pay a claim within 90 days following receipt of a claim. Makes violation of the 90 day requirement a violation of the Insurance Code.	Sec. 13 p.16 Line 427	Not Addressed	N/A		House Position (add language to include residential policies)		
A13	Ex-Windstorm	Not Addressed	N/A	Allow homeowners to exclude windstorm coverage from their policies by writing a statement and providing approval from mortgage holder.	Sec. 32 pg 163 L 5	Senate Position	Senate Position		

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A14	Remove Deductible Cap	Not Addressed	N/A	Eliminates cap on deductibles, but requires a written statement by the policyholder and approval by a mortgage or lien holder if the deductible is in excess of 10 percent for a home valued at less than \$500,000.	Sec. 29 pg 157 L 29	Senate Position	Senate Position		
A15	Equity Deductible	Not Addressed	N/A	Require personal lines residential property insurers to offer a deductible equal to 50% of the policyholder equity.	Sec. 29 pg 155 L 25	House Position	House Position		Senate Position (tied to A16)
A16	Insure for Mortgage Balance	Requires an insurer to offer a policy covering the limits of the policyholder's mortgage balance. Requires the insurer to obtain a written consent form and voids the selection if the form is not obtained. If signed, provides a conclusive presumption that the selection was an informed choice. Gives Financial Services Commission rulemaking to implement.	Sec. 14 p.16 Line 437	Not Addressed	N/A	Senate Position	House Position		House Position (tied to A15)
A17	Personal Contents	Requires an insurer to offer a policy excluding coverage for personal contents. Requires the insurer to obtain a written consent form and voids the exclusion if the form is not obtained. If signed, provides a conclusive presumption that the selection was an informed choice. Gives FSC rulemaking to implement.	Sec. 14 p. 17 Line 455	Similar, but requires policyholder to personally write a statement which creates a presumption of informed rejection. Statement must be executed upon each renewal.	Sec. 132 pg 163 L 5		House Position		
A18	Installment Payments	Requires insurers to allow personal lines residential and commercial policyholders to pay premiums on a monthly, quarterly or semiannual installment plan	Sec. 10 p.13 Line 352	Not Addressed	N/A		House Position (with 33% front load/ monthly installments)		
A19	Non-Renewals	Requires notice of non-renewals that would otherwise be effective during storm season to be 100 days prior to effective date or by June 1, whichever is earlier.	Sec. 11 p.16 Line 427	Not Addressed	N/A	House Position	House Position		
A20	State Boards	Eliminate the automatic appointment of insurance industry representatives from the following boards: Florida Automobile JUA; Workers' Compensation and Employer's Liability Insurance JUA; Medical Malpractice JUA; Property & Casualty JUA; Florida Insurance Guaranty Association; Florida Life and Health Insurance Guaranty Association; Florida Health Maintenance Organization Consumer Assistance Plan; Florida Workers' Compensation Insurance Guaranty Association; and the Florida Patient's Compensation Fund. Provides for Governor, CFO, President of Senate, and Speaker of House to make appointments.	Secs. 20-27 p. 21 Line 580; p. 42 Line 1148	Not Addressed	N/A	Senate Position	Senate Position		
A21	Insurability Based on Age	Prohibits property insurers from denying coverage based solely on the age of the property and requires consideration of wind resistance of structure.	Sec. 15 p.18 Line 484	Not Addressed	N/A	House Position	House Position		
A22	Pup Companies	No new certificate of authority for the transaction of residential property insurance to be issued to an insurer domiciled in Florida if it is a wholly owned subsidiary of an insurer authorized to do business in any other state. (pup company). Prohibits future pups as of 1/1/08.	Sec. 3 p.3 Line 80	Not Addressed	N/A	Senate Position	House Position		
A23		Raises surplus requirements for pup companies to \$50m.	Sec. 4 p.4. Line 108	Not Addressed	N/A	House Position	House Position		
A24	Profits	Requires profits of national affiliate companies be factored into rate filings. Prohibits excess profits by property insurers and require refunds to consumers.	Sec. 8 p.11 Line 296 Sec. 12 p.15 Line 417	Not Addressed	N/A		House Position		

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A25	Cherry Picking	Require insurers that offer homeowners policies in other states and offer auto insurance in Florida sell homeowners insurance in Florida unless affiliate writes homeowners in FL, effective 1/1/08. ("cherry picking")	Sec. 2 p.3 Line 80	Provides that it is an unfair trade practice, subject to the penalties under the Insurance Code, for an insurer to fail to offer in Florida a kind or line of insurance which all insurers or affiliated insurers offer in another jurisdiction. If an insurer offers a particular kind or line of insurance anywhere it does business on July 1, 2007, it must offer the same insurance in this state.	Sec. 24 pg 109 L 28	House Position	House Position		
A26	Low-Income Coverage Assistance	Not Addressed	N/A	Intent language stating that in 2007 Regular Session the Legislature should create a program to help low-income Floridians pay for property insurance	Sec 44 p. 179 L 24	Senate Position	House Position		Senate position
A27	Notice of all Mitigation Discounts	Requires insurers to provide notice of all combinations of discounts, credits, rate differentials, or reductions in deductibles, for windstorm mitigation.	Sec. 16 p.18 Line 490	Not Addressed	N/A	Senate Position	Senate offer - House language without word "all"		
A28	Dividends to Stockholders	Requires domestic stock insurers to maintain 133% of minimum surplus if it pays a dividend to a parent	Sec. 19 p.21 Line 569	Not Addressed	N/A		House Position		
A29	Rate Look Back	Not Addressed	N/A	Provides that within 24 months after an insurer receives approval of a rate increase of 10 percent or more, the insurer must file and the OIR must review the insurer's rate based on a rate filing that addresses all elements of the current rate.	Sec. 23 p.99 Line 28	Senate Position	House Position		
A30	Wheras Clauses			Makes legislative findings regarding the demand for immediate attention to address the affordability and availability of property insurance; that property insurance is interwoven with other forms of insurance; and that specified issues in the act can help to address this crisis.		Senate Position	Senate Position		
B1	CAT Fund Capitalization	Allow CAT Fund to capitalize using capital market investment tools	Sec. 2 p.3 Line 63	Same as House	Sec. 4 p.42 Line 5			Senate Revised Offer	Senate Revised Offer
B2	State-Backed Reinsurance	<p>For 2 yrs, reinsurance offered through the CAT Fund down to a \$3 billion retention in \$1 billion increments sold at near market prices (\$1billion below: 75% rate-on-line, \$2 billion below: 80%, \$3 billion below: 85%) if State Board of Administration decides to offer and LBC approves. (TEACO option)</p> <p>For 2 yrs, reinsurance offered through the CAT Fund above capacity in \$1 billion increments up to \$12 billion at lower price than private reinsurance (\$1 billion above: 20% rate-on-line with rate-on-line decreasing 1% for each billion of additional capacity purchased up to \$12 billion above: 9% rate-on-line) (TICL option). State Board of Administration given discretion to change prices but cannot set the price lower than 10% rate-on-line.</p> <p>For 2 yrs, reinsurance offered through the CAT Fund above TICL \$12 billion option in \$1 billion increments up to \$2 billion additional capacity at lower cost than private reinsurance if State Board of Administration decides to offer and LBC approves. State Board of Administration to set the price for this layer of coverage but cannot set the price lower than 10% rate-on-line.</p>	Sec. 2 p.3 Line 72 p.9 Line 239 p.14 Line 385	<p>Coverage below CAT Fund: TEACO Not Addressed</p> <p>For 2 years reinsurance offered throught the CAT Fund above the capacity in \$1 billion increments up to \$3 billion at lower price than private reinsurance (\$1 billion above: 20% rate-on-line; \$2 billion above: 17.5% rate-on-line; \$3 billion above: 15% rate-on-line. (TICL option)</p> <p>State assumes liability for 90% of losses above FHCF limits and optional coverage above limits, whether or not purchased (FHELP). Maximum FHELP coverage limit is \$23 billion for 2007, which is adjusted each year to reflect the percentage growth in exposure to the FHCF. Insurers must enter contract with state to pay and service claims. No charge to insurer. No identified funding source. Finance corporation created to issue bonds funded by revenue to be made available. Legislative intent to first use up to 10% of state revenues.</p>	Sec. 4 p. 42 Line 14	Senate Position	House Position with Rep. Seiler proposal linked to Senate Offer		

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B3	Savings	Requires 100% pass through to the consumers of savings from reinsurance program. In order to participate, companies will have to provide a 25% reduction in windstorm premium or apply for a waiver from the Financial Services Commission	Sec. 3 p.15 Line 400	Insurers that elect to purchase TICL coverage must make a rate filing with OIR for approval which reflects any savings or reduction in loss exposure. An insurer may not obtain a rate increase due to the election of the TICL option. All residential property insurers must make a rate filing to decrease rates to reflect the reduction in loss exposure due to FHELP. OIR must specify, by order, the date or dates on which rate filings must be made and effective in order to provide rate relief to policyholders as soon as practicable. OIR shall calculate a "presumed factor" by March 15, 2007, to be used in the rate filings to reflect the impact to rates. Appropriates \$250,000 to OIR to contract with an appropriate vendor to make this determination. Insurers may not implement a rate change under the "use and file" rate procedures to meets these rate filing requirements. (Note: The bill repeals the "use and file" option, which makes this provision moot.)	Sec. 5 p.50 Line 13; p.51 Line 22				House Position
B4	Cash Build Up	Repeal the 25% rapid cash buildup factor in the CAT Fund.	Sec. 2 p.3 Line 57	Not Addressed	N/A			House Position	House Position
B5	Adjustment of FHCF Maximum Limit	Not Addressed	N/A	Premiums received for optional coverage are not included in the cash balance of FHCF for purposes of annually adjusting the maximum FHCF limits. (FHCF limits cannot grow more than increase in cash balance or percentage increase in exposure, whichever is less.)	Sec. 4 p.46 Line 20			House Position	House Position
C1	Mitigation Study	Appoint a committee to make recommendations to improve the mitigation grant program. Eight members: 2 appointed by Governor; 2 by the CFO; 2 by the President of the Senate and 2 by the Speaker of the House. Members entitled to expenses including travel, to be paid by appointing entity. DFS to provide staffing. Require report on the first day of the 2007 Regular Session. Committee expires on May 15, 2007.	Sec. 8 p.10 Line 268	Appoint a commission to make recommendations to improve the mitigation grant program. Five members: 3 appointed by Governor; 1 by CFO; 1 by OIR Commissioner. Members entitled to reimbursement for expenses including travel. EOG to provide staffing. The commission will issue a report by March 30th. The study will also evaluate the new uniform inspection sheet.	Sec. 38 p.170 Line 3			House Position	House Position
C2	Funds	For 2006-07 fiscal year: \$100,066,518 from the Small Cities Community Development Block Grant Program Fund to DCA to be used consistent with the federal supplemental appropriation and approved Action Plan.	Sec. 10 p.13 Line 357	Establishes a new program in DCA for the purpose of assisting local governments in satisfying disaster-recovery needs in the areas of low-income housing and infrastructure, with a primary focus on the hardening of single-family and multi-family units, not only to ensure that affordable housing can withstand the effects of hurricane-force winds, but also to mitigate the increasing costs of insurance. Does not create an entitlement for local governments or property owners or obligate the state in any way to fund disaster-recovery needs. Implementation is subject to annual legislative appropriations. For 2006-07 fiscal year: \$100,066,518 from the Small Cities Community Development Block Grant Program Fund to DCA to be used consistent with the federal supplemental appropriation and approved Action Plan.	Sec. 39 p.172 Line 21; Sec. 40 p.173 Line 30			House Position	House Position

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C3	Eligibility and Use of Grants	Residential properties must be a structure with an insured value of \$500,000 or less - low income homeowners are exempt from this requirement. Grants may be used on previously inspected existing structures or a rebuild. Low-income homeowners may use grant funding for repair to existing structures leading to mitigation improvements.	Sec. 2 p.4 Line 96 Sec. 2 p.5 Line 128 Sec. 2 p.5 Line 139	Grants are to protect properties. Roof coverings - include weighted roof-protect system.	Sec. 6 p. 52 Line 14 Sec. 6 p.53 Line 18			House Position	House Position
C4	Wind Inspectors	Wind inspectors must have a level 2 background check, which includes fingerprinting. The bill requires DFS to develop and maintain a statewide list of authorized wind mitigation inspectors and a list of contractors authorized to conduct wind mitigation inspections.	Sec. 2 p.3 Line 82 Sec. 2 p.6 Line 155					House Position	House Position
C5	Mitigation Discounts	Effective October 1, 2007, requires insurers to offer deductible reductions for mitigation measures.	Sec. 5 p.7 Line 191					Senate Position	House Position w/Amended language to clarify intent
C6	Agent CE	Requires insurance agents to complete continuing education hours related to premium discounts available on property insurance policies for various hurricane mitigation measures and the means for obtaining the discounts.	Sec. 3 p.7 Line 173					House Position	House Position
C7	Uniform Mitigation Inspection Form	Requires the Financial Services Commission to develop a uniform mitigation verification inspection form to be used by all insurers when factoring discounts for wind insurance.	Sec. 7 p.10 Line 261	Same	Sec. 42 p.178 Line 20			Positions Agree	Positions Agree
C8	Public/Private	Authorizes DFS to contract with a not-for-profit corporation to conduct all or portions of the program.	Sec. 2 p.6 Line 146					House Position	House Position
C9	Uniform Grading System	Requires the Financial Services Commission to develop a uniform home grading scale to grade a home's ability to withstand wind damage.	Sec. 9 p.13 Line347					House Position	House Position
C10	Deductible Buy Down	Requires the insurer to provide the policyholder the option of selecting an appropriate reduction in the policy's hurricane deductible or selecting the appropriate discount credit or other rate differential.	Sec. 5 p.7 Line 191					House Position	House Position
C11	My Safe FL Home	Not Addressed	N/A	Allow homeowners who use mitigation products tested by the International Hurricane Research Center at FIU to participate in MSFH, in lieu of having undergone an inspection under the program. Adds "weighted roof-protection system" to list of improvements eligible for grant	Sec. 6 p.52 Line 23			House Position (C3 and C11 are not mutually exclusive)	House Position (C3 and C11 are not mutually exclusive)
C12	Securing Fixtures for Mobile Homes	Not Addressed	N/A	Expands tie-down program to include installation of "other securing fixtures" for mobile homes	Sec. 6 p.54 Line 6			House Position	House Position
D1	Panhandle Exemption	Eliminate the Panhandle exemption to the Florida Building Code by adopting the American Society of Civil Engineers wind lines	Sec. 2 p.3 Line 70	Eliminate the Panhandle exemption to the Florida Building Code by requiring adoption of International Building Code and International Residential Code without exceptions. Senate version uses a more recent Code and can be implemented faster	Sec.15 p.78 Line 19			Senate Position	Senate Position

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D2	Building Code Changes	Prohibit future changes to the building code unless the changes enhance the structural integrity of the code as it relates to wind protection	Sec. 2 p.2 Line 30; p.3 Line 63	Prohibit future changes to the building code unless the changes enhance the structural integrity of the code as it relates to wind resistance or prevention of water intrusion	Sec.13 p.70 Line 26; p.71 Line 8			Senate Position	Senate Position
D3	Code Plus Standards	Require the Florida Building Commission to develop voluntary "code-plus" guidelines for increasing the hurricane resistance of buildings, modeled on the Miami-Dade building code	Sec. 3 p.4 Line 85	Same	Sec. 16 p.79 Line 10			House Position (with amended language)	Senate Position
D4	Pressurization in High Wind Area	Not Addressed	N/A	Delete internal pressurization option (roof to wall strength) for buildings in the 120 mph wind zone. This is accomplished by adopting the IBC	Sec. 15 p.78 Line19			Senate Position	Senate Position
D5	Pressurization in Non-High Wind Area	Not Addressed	N/A	Apply internal pressurization requirements for homes in areas where the applicable design wind speed is less than 120 mph	Sec. 16 p.10 Line 3			House Position	House Position
D6	Elimination of all Exceptions	Not Addressed	N/A	To amend the Code to eliminate all exceptions throughout the Building Code chapter that provide less stringent requirements. Senate staff seeks to modify the provision to eliminate only exceptions regarding windborne debris (Sec. 15) Otherwise, adjustments may need to be made regarding snowload & seismic activity	Sec. 16 p.78 Line 27				Senate Position
E1	Foreign Reinsurers	1) Allow reinsurance credit for reinsurance ceded to alien reinsurer. 2) Reduce trust fund requirement for non-US insurers if OIR determines the adequacy of regulation in the country of licensure and the financial strength of the insurer	Sec. 8 p.26 Line 717	Same as House	Sec. 21 p.85 Line 16			House Position	House Position
E2	Rate Flex	Suspend the implementation of rate-flex two years (til 7/1/09)	Sec. 9 p.29 Line 807	Repeal the rate-flex provision.	Sec. 23 p. 100 Line 1			Senate Position	Senate Position

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E3	Self-Insurance Pools	1) Hospital Risk Pooling/Hospital Self-Insurance Fund a) Allow alliances of 2 or more hospitals licensed and located in FL for property coverage. b) Provides requirments for hospital alliance self ins funds c) Allow alliance of hospitals in special districts, county hospitals, or municipal hospitals to borrow and bond to finance prop coverage and claims. d) Provides bonding guidelines. 2) Local Gov't Risk Pooling/Local Gov't Self-Ins Fund a) Allows local gov'ts to self-insure for property coverage. b) Allows governmental entities to bond to finance property coverage and claims. 3) Community Associations Self-Ins Fund a) Allows 10+ community ass'ns created and operating as condo, co-op, homeowners, timeshare, & vacation, and mobile home park lot tenant ass'n to create self-ins fund for property and casualty. b) Allows formation originally for property & casualty risk pooling c) Allows less than 10 community associations that form a non-profit group to create a self-ins fund if FSC adopts rules relating to reserve requirements and notice requirements for assessments. 4) Not-for-profit self-ins fund a) Allows 2+ not-for-profit corporations to create a self-ins fund for prop or casualty. b) Provides requirements for non-profit corporations self-ins funds	Sec. 2 p.6-12 Lines 97-323 Sec 6 p. 16-18 Lines 439-481 Sec. 2 p.6-12 Lines 97-323 Sec. 5 p. 15-16 Lines 418-427 Sec 4 p. 13 Lines 362 Sec 7 p. 18 Line 484	1) Hospital Risk Pooling/Hospital Self-Insurance Fund Same as House 2) Local Gov't Risk Pooling/Local Gov't Self-Ins Fund Same as House 3) Community Associations Self-Ins Fund a) Same as House b) Same as House c) Not Addressed d) allows a not-for-profit group comprised of one or more community associations having a least 50 residential properties cumulatively valued at over \$25 million 4) Not-for-profit self-ins fund Same as House	Sec. 12 p. 59 Line 5 Sec. 3 p. 15 Line 24 Sec. 19 p. 81 Line 27 Sec. 18 p. 81 Line 13 Sec. 20 p. 82 Line 19			1) House 2) House 3) include school districts a) House b) House c) Senate d) strike \$25 million, Housing Authority, parcels/units 4) House	House Position with amendment to 3d
E4	Insurance Requirements in the Condo Act	Not Addressed	N/A	1) Limits insurance requirements in the Condominium Act to "residential" condominiums, as currently defined (generally, a condominium consisting of two or more units used as a private temporary or permanent residence). 2) Specifies "adequate insurance" under the Act for a group of at least three communities operating as residential condominiums, cooperatives, homeowners' associations, or timeshare entities. These entities may purchase windstorm insurance coverage sufficient to cover an amount equal to the probable maximum loss (PML) for such entities for a 250 year windstorm event, determined through the use of a model accepted by the Florida Commission on Hurricane Loss Projection Methodology. Clarifies that if condominiums form a commercial self-insurance fund under the Insurance Code, the insurance requirements are considered adequate insurance.	Sec. 41 p.176 Line 1			Senate Position	Senate Position
E5	Repeal Citizens Rate Increase	1) Repeal the January 1, 2007 Citizens rate filing except for the rate reduction in Monroe Co. and refund premium. 2) Freeze rates at 12/31/06 level for 2007, but allow Citizens to lower rates in 2007. 3) Require new rate filing 1/1/08.	Sec. 10 p.76-79 Line 2094-2194	Same repeal of Jan. 1, 2007 rate fling and refund requirement. Similar language on freezing rates for 2007, except more simply allows for rates that are lower than 12/31/06 rates. Also requires new rate filing effective 1/1/08.	Sec. 27 p. 146 Line 27			Senate Position	Senate Position

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E6	Citizens BOD	Fire the Board of Directors of Citizens as of 3/1/07 and replace by 3/2/07.	Sec. 13 p.107 Line 2964	Not Addressed	N/A			Senate Position	House Position
E7	Citizens Rate Structure	1) Actuarially adequate for Personal Lines Account and High Risk Account. 2) Use a 50 Yr Probable Maximum Loss starting 1/1/08 for the High Risk Account with a glidepath to a 100 yr Probable Maximum Loss in 5 years and deletes private reinsurance factor in Personal Lines Account or High Risk Account rates.	Sec. 10 p.73-74 Line 2020-2050	1) Actuarially sound and subject to requirements of s. 627.062 (rating law for property insurers prohibiting rates that are excessive, inadequate or unfairly discriminatory, with standards for making this determination). Deletes requirement for catastrophe loading factor. 2) Deletes requirements that rates cover costs of specified PMLs.	Sec. 27 p. 141 Line 16			Senate Position	House Position
E8	Citizens Rate Filings	Not Addressed	N/A	Requires Citizens to file a recommended rate at least once a year and for OIR to establish Citizens rate within 45 days of Citizens' filing.	Sec. 27 p. 141 Line 16			Senate Position	Senate Position
E9	Citizens Rate Floors	1) Remove requirement that Citizens charge the highest rates in the marketplace 2) Remove requirement that Citizens be noncompetitive with rates of voluntary market	Sec. 10 p.75 Line 2062	Same. Also deletes notice to policyholders that rates of Citizens are intended to be higher than any admitted carrier.	Sec. 27 p. 141 Line 16			Senate Position	Senate Position
E10	Assessments on Non- Homestead Policy Holders	Not Addressed	N/A	Delay until 2008 the requirement that Citizens impose a 10% of premium assessment on nonhomestead policyholders if a deficit occurs	Sec. 27 p. 125 Line 17			Senate Position	House Position
E11	Assessments on all Citizens Policyholders	Not Addressed	N/A	Delays until 2008, the requirement that Citizens impose a 10% renewal surcharge on all Citizens policyholders after a deficit if the first 10% on nonhomestead policyholders is not sufficient	Sec. 27 p. 125 Line 17			Senate Position	House Position
E12	Assessment Base	Removed commercial-nonresidential multiperil from the Citizens' assessment base as conforming change to transferring Citizens' commercial non-residential policies to the Property Casualty Joint Underwriting Association.	Sec. 10 p.50 Line 1383	Expand assessment base of Citizens to be the same as the CAT Fund, except for medical malpractice (which is no longer exempt under Cat Fund as of Jun 1, 2007) and Federal Crop Insurance Program. No exemption for surety insurance (which is included due to lines of business on referenced annual statement form, as for Cat Fund).	Sec. 27 p. 124 Line 13			Senate Position	House Position
E13	Citizens Claims	Create a Task Force to review Citizens outstanding claims and make recommendations to dispose of outstanding claims and recommend revisions to Citizens claims handling process	Sec. 12 p.103 Line 2864	Not Addressed	N/A				House Position
E14	Installment Payments	Require Citizens to provide policyholders with the option to pay their premium in monthly installments	Sec. 10 p.67 Line 1841	Not Addressed	N/A				House Position with amendment to allow 33% front loading
E15	Agent Commissions	Dept. of Financial Services to review agent commissions of Citizens and to ensure that the insurance agents do not receive unearned windfalls as a result of rate increases.	Sec. 11 p.103 Line 2854	Not Addressed	N/A			Senate Position	Senate Position
E16	Commercial Policies	1) Transfer commercial non-residential policies out of Citizens and into the PCJUA on 6/1/07. 2) Require PCJUA to cover the first \$1 million on commercial non-residential properties.	Sec. 10 p.103 Line 2850	Move commercial policies out of PCJUA and put them in Citizens and allow Citizens to write commercial policies statewide. Allow Citizens to require commercial properties to meet specified mitigation construction features to be eligible for coverage	Sec. 28 p. 153 Line 9 Sec. 27 p. 141 Line 12			Senate Position	House Position

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	Issues	House Position	HB Sec pg, line #	Senate Position	SB Sec pg, line #	Senate	House	Senate	House
E17	Citizens Coverage on Coast	1) Beginning 1/1/09, for new construction (i.e. not permitted as of 1/1/09), exclude from Citizens new buildings constructed within 500 ft, on either side, of the Coastal Construction Control Line. 2) To qualify for Citizens, buildings between 500 ft and 2,500 ft on the landward side of the line must be built to <i>code-plus standards</i> (or up to the standards of Miami-Dade Building Code if code-plus standards have not been promulgated) 3) Beginning 1/1/09, for new construction (i.e. not permitted as of 1/1/09), exclude from Property Casualty Joint Underwriting Association new buildings constructed within 500 ft, on either side, of the Coastal Construction Control Line. 4) To qualify for Property Casualty Joint Underwriting Association, buildings between 500 ft and 2,500 ft on the landward side of the line must be built to code-plus standards (or up to the standards of Miami-Dade Building Code if code-plus standards have not been promulgated)	Sec. 10 p.34 Line 952	Not Addressed	N/A			Senate Position	House Position (with amended language to create a 2500 ft zone for code plus construction)
E18	FMAP	Require Citizens to exempt policies from 10 day waiting period for real estate closing	Sec. 10 p.62 Line 1730	Not Addressed	N/A			House Position	House Position
E19	Sinkholes	1) Defines catastrophic ground collapse (geological activity that within 7 days results in collapse of ground covering rendering insured structure uninhabitable). 2) Redefines other sinkhole definitions. 3) Require notice to policyholders that policy only covers catastrophic ground collapse rendering property being condemned and uninhabitable. 4) Requires insurers to notify and offer sinkhole coverage for sinkholes that are not catastrophic ground collapse for additional premium with required notification as to amt of add'l premium and types of damage covered with additional sinkhole coverage.	Sec. 16 p.111 Line 3088	Requires insurers to provide coverage for catastrophic ground collapse and to make available, for additional premium, current sinkhole coverage. Different definition for "catastrophic ground collapse" that requires condemnation. Effective July 1, 2007.	Sec. 30 p. 160 Line 25			Senate Position with amended language	Senate Position with Senate amendment
E20	Capital Build-Up Program	1) Lower capital contribution to \$7 million for insurers writing only property insurance for manufactured homes. 2) Give priority in fund distribution to insurers writing only property insurance for manufactured homes. 3) Changes the minimum writing ratio of net written premium to surplus for newly formed manufactured homes insurers eligible for a surplus note under the Program from 2:1 to 4:1	Sec. 3 p.13 Line 340	Not Addressed	N/A			House Position	House Position
E21	FIGA	Clarify prior language that allowed Florida Insurance Guaranty Association to use its assessment authority to directly pay claims of an insolvent insurer rather than using the assessment to issue bonds	Sec. 15 p.111 Line 3075	Same as House	Sec. 34 p. 165 Line 21 Sec. 35 p. 169 Line 3			House Position	House Position

****Bolded items reflect last offer**

Side by Side: House and Senate Property Insurance Reform Proposals - MEETING ON JANUARY 20, 2007 1:30PM

	Issues	House Position	HB Sec pg, line #	Senate Position	SB Sec pg, line #	Senate	House	Senate	House
E22	Non-Homestead	Not Addressed	N/A	Deletes the provision that non-homestead policies are ineligible for coverage beginning 3/1/07, unless rejected by 3 surplus lines and 1 authorized insurer.	Sec. 27 p. 115 Line 28			Senate Position	House Position
E23	Citizens Eligibility	Not Addressed	N/A	Policyholder is eligible for coverage in Citizens if offer of coverage is more than 25 percent greater than the premium for comparable coverage provided by Citizens.	Sec. 27 p. 133 Line 6 Sec. 27 p. 135 Line 3			Senate Position	House Position
E24	Take Out/Direct Insurance	Not Addressed	N/A	Specifies that take-out policies removed from Citizens are considered to be the sole obligation and direct insurance of the take-out company (i.e., Citizens does not retain liability).	Sec. 27 p. 151 Line 21			Senate Position	Senate Position
E25	Citizens/FIGA Assessment	Not Addressed	N/A	Requires Citizens to be subject to assessments levied by the Florida Insurance Guaranty Association.	Sec. 27 p. 152 Line 22			Senate Position	Senate Position
E26	Citizens' Financial Management	Not Addressed	N/A	Allows SBA to invest and manage Citizens' assets.	Sec. 27 p. 1523 Line 7			Senate Position	Senate Position
E27	Multi-peril policies in High Risk Account areas	Not Addressed	N/A	Authorizes Citizens, beginning on April 1, 2007, to write multi-peril policies (as well as wind-only policies) in areas eligible for coverage in High Risk Account.	Sec. 27 p. 118 Line 1			Senate Position	New Proposal
E28	Limits of Coverage	Not Addressed		Allows Citizens' board to set coverage limits.	Sec. 27 p. 141 Line 9			Senate Position	Senate Position